

# GROWTH AND ALLOCATION OF RESOURCES WITHIN THE APA

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IN the first article of the first issue of the *American Psychologist* (1946), Dael Wolfe described the twofold purpose of the reorganized APA: First, "to give greater recognition to the individual interests, both scientific and professional, of specialized subgroups within the total membership" and, second, to reflect a wide-spread belief "that the association should pay greater attention to the professional problems of its members." With this reorganization, a new structure for the APA came into existence, involving among other elements a representative legislative body (the Council of Representatives), a divisional structure responsive to specialized interests, the beginnings of a central office in Washington, and the establishment of the *American Psychologist* as the journal of the whole association. As Wolfe pointed out, the new association "will cost more money, because the association has decided to do more things."

In the seventeen years which have intervened the association has cost more money because it has come to do more things. A growth of membership from some 4,400 to almost 20,000 has been accompanied by a rise in expenditures from about \$100,000 to more than \$1,000,000. The purpose of this article is to review certain aspects of the growth of the APA, in terms of its use of resources as seen in various categories of income and expense, in order to provide the membership with a partial basis for considering the future of the association.

As an organization of individual members, our first major source of income derives from membership dues. As the owner and publisher of 12 journals, subscriptions from members and non-members represent the second major income source. Annual growth rates in membership and in subscriptions have provided fairly predictable income growth which, in turn, is distributed over several

TABLE 1  
ANNUAL INCOME, EXPENSE, AND MEMBERSHIP FIGURES, 1946-1961 INCLUSIVE  
(Index Year 1946 = 100)

Year	Income		Expense		Dollar surplus (or loss)	Members	
	Dollars	Index	Dollars	Index		Number	Index
1946	\$109,976	100	\$108,065	100	\$1,911	4,427	100
1947	146,474	133	151,522	140	(5,048)	4,661	105
1948	226,433	206	184,455	171	41,978	5,754	130
1949	249,143	227	217,854	202	31,289	6,735	152
1950	261,886	238	238,804	221	23,082	7,273	164
1951	287,375	261	300,592	278	(13,217)	8,554	193
1952	318,406	290	288,687	267	29,719	9,512	215
1953	376,625	342	372,326	345	4,299	10,903	246
1954	404,264	368	413,649	383	(9,385)	12,380	280
1955	430,453	391	460,965	427	(30,513)	13,475	304
1956	524,063	477	489,151	453	34,912	14,509	328
1957	627,818	571	601,834	557	25,984	15,545	351
1958	755,822	687	682,798	632	73,023	16,644	376
1959	787,352	716	756,773	700	30,579	17,448	394
1960	904,594	823	841,493	779	63,100	18,215	411
1961	1,072,197	976	962,608	891	109,589	18,948	428

Note 1.—Except for the years 1954 and 1955, income and expense figures are taken from the annual external audits of the Association by Ernst and Ernst. In 1954 and 1955, the audited figures are less than those shown here, although the surplus (or loss) figures for these two years are identical here and in the audit. The figures used for these two years are those to be presented also in the operating analyses of Table 6.

Note 2.—This table does not include in either income or expense the direct value of grants or contracts from external sources to support projects of Association-wide concern. Table 7 will display these figures for the year 1961.

TABLE 2  
COMPARATIVE STATEMENT OF YEAR-END FINANCIAL CONDITION  
1946-1961

Year end	Net income (loss)	On hand		Building equipment	Other assets	Total assets	General liabilities	Deferred income	Net worth	Total liabilities & net worth
		Cash	Securities							
1946	\$1,911	\$61,059	\$78,129	0	\$2,095	\$141,283	\$21,915	\$28,249	\$91,119	\$141,283
1947	(5,048)	137,096	78,129	0	9,419	224,644	33,883	104,690	86,071	224,644
1948	41,978	203,200	78,129	0	17,745	299,074	38,347	132,678	128,049	299,074
1949	31,289	238,270	102,127	0	9,549	349,946	94,488	136,120	119,338	349,946
1950	23,082	268,964	102,127	0	11,956	383,047	30,435	150,191	202,421	383,047
1951	(13,217)	289,540	102,127	0	22,312	413,979	63,986	155,789	194,204	413,979
1952	29,719	76,441	102,127	\$247,564	18,167	444,299	46,630	175,689	221,980	444,299
1953	4,299	98,603	97,106	275,102	18,704	489,515	41,399	204,160	243,956	489,515
1954	(9,385)	154,902	97,262	274,553	28,221	554,938	37,963	271,465	245,510	554,938
1955	(30,513)	232,867	72,054	267,506	36,828	609,255	89,699	299,959	219,957	609,255
1956	34,912	240,791	67,117	271,490	45,511	624,909	48,213	322,187	254,509	624,909
1957	25,984	153,322	323,853	285,633	96,936	859,744	116,374	476,675	266,695	859,744
1958	73,023	132,350	437,774	288,668	89,314	948,106	125,958	482,429	339,719	948,106
1959	30,580	258,449	436,239	272,033	56,769	1,023,490	84,801	589,890	348,799	1,023,490
1960	63,099	379,838	532,560	258,858	74,825	1,246,081	165,969	668,214	411,898	1,246,081
1961*	109,589	302,893	430,726	1,353,891	84,262	2,171,772	954,811	695,474	521,487	2,171,772

\* The unusual increase in 1961 in Building and Equipment Assets and General Liabilities is due to a 1961 land purchase as the site for a possible new headquarters, in accordance with Council vote in September, 1961.

categories of expenditures. In the most general sense, the annual expense budget of the association reflects dollar translations of policy decisions at various levels of APA's government, compromises between objectives or goals in various sectors of psychology's affairs and the management needs of an expanding organizational structure.

#### GROWTH IN INCOME, EXPENSE, AND MEMBERSHIP

Table 1 shows annual income and expense totals, and membership totals, for the years 1946-61 inclusive. Using 1946 as the base, and assigning an index value of 100 to the actual entries for income, expense, and membership for that year, the relative growth in these three categories can be followed through 1962.

The income of the association from all sources, and the expenses of the association for all functions, have increased approximately tenfold in the years under consideration, whereas total membership in all classes has increased between four and five times.<sup>1</sup>

<sup>1</sup> The years 1946-1961 have also been years of inflationary change in the value of the dollar. An informal check with the Brookings Institution suggests that the 1961 income and expense index figures in Table 1, when corrected for changes in the purchasing power of the dollar over its 1946 value, should appear as 700 and 628, re-

The annual surplus or loss, as shown in Table 1, leads to a further consideration of the use of our resources in managing our financial affairs. Table 2 shows the year-end financial condition of the association for 1946-1961 inclusive. Our concern here is with the net worth, defined as the difference between assets and liabilities for the date on which a balance sheet is prepared. Our auditors prepare a balance sheet for us each year as of December 31. Our assets are in the form of cash, marketable securities, land, buildings, furniture and fixtures, accounts receivable, loans, and other items. How these are distributed, particularly between cash and securities, depends upon the time of year.

In computing the asset value of our building, furniture, and fixtures each year, we subtract annually an amount from the original cost of these to represent the decreased value of these assets with use. At the end of the theoretical life of these fixed assets, they would have no book value. Thus our net worth at a particular time is realizable in the various categories in which our assets are carried.

spectively, instead of 976 and 891. Furthermore, while adequate comparative figures on individual incomes of psychologists are not available, it may be assumed that they are, on the average, better paid in 1961 than in 1946.

In 1936, our net worth was \$48,662. By 1946, it had grown to \$91,119; and in 1951, it was \$194,204. In 1952 we acquired our present building in Washington, expending some of our cash, with a resulting new worth of \$221,980. At the end of 1961, our last audited year, the net worth stood at \$521,487. A summary of our balance sheet as of December 31, 1961, is as follows:

## ASSETS

Cash .....	\$302,893
Securities .....	430,726
Land, Building, and Equipment .....	1,353,891
Other .....	84,262
<b>Total Assets .....</b>	<b>\$2,171,772</b>

## LIABILITIES

Accounts payable and grant balances .....	\$242,311
Deferred income for use in 1962 .....	695,474
Long-term debt .....	712,500

Total Liabilities ..... \$1,650,205

NET WORTH ..... 521,487

\$2,171,772

The value of our net worth is realizable from our various asset categories, and our reserve accounts for Operating Reserve, Fixed Asset Reserve, *Directory*, and the *Journal of Abnormal and Social Psychology* are all accounts within our net worth and not separate funds. The above tabulation also reflects, in 1961, purchase of land for a possible new headquarters building in Washington.

## HISTORY OF DUES INCREASES

Decisions to increase dues or subscription rates serve to accelerate growth of gross income beyond normal increases based on the annual additions of new members and subscribers. Increased income, in turn, will be allocated to various expense categories which in themselves reflect support of activities and services deemed important by the governance of the association.

Table 3 reports changes in rates of member dues over the years 1946-61, as established by actions of the Council of Representatives. In the year 1946 there were two classes of membership in the association, and the dues were, respectively, \$6 for Associates and \$10 for Fellows. In both 1947 and 1948 the Council authorized an increase in

TABLE 3  
SCHEDULE OF DUES, 1946-1961

Year	Class of membership		
	Associates	Members	Fellows
1946	\$ 6.00	—	\$10.00
1947	10.00	—	15.00
1948	12.50	—	17.50
1949	12.50	—	17.50
1950	12.50	—	17.50
1951	12.50	—	17.50
1952	12.50	—	17.50
1953	12.50	—	17.50
1954	12.50	—	17.50
1955	12.50	—	17.50
1956	20.00 <sup>a</sup>	—	20.00 <sup>a</sup>
1957	Prorated according to calendar 1956 individual income <sup>b</sup>		
1958	—	\$25.00 <sup>c</sup>	25.00
1959 <sup>d</sup>	17.00	20.00	25.00
1960	20.00	25.00	30.00
1961	20.00	25.00	30.00

<sup>a</sup> Except that a new member paid only \$15 per year for the first five years of his membership.

<sup>b</sup> This method of assessing dues was tried for only one year.

<sup>c</sup> Except that a new Member paid only \$20 per year for the first two years of his membership.

<sup>d</sup> In this year, 1959, three classes of membership came into being.

dues, which remained at the 1948 level through 1955. Dues were again raised in 1956, and in 1957 they were levied in accordance with the 1956 income of individual members. This experiment in financing was discontinued within the year. With the establishment of the category of Member and redefinition of the categories of Associate and Fellow in 1958, dues were again set in terms of class of membership. These were revised for 1959 and again for 1960 to the rates which are in effect today. In the collection of dues, it is also to be remembered that \$1 from each of the basic dues rates is earmarked for support of Divisional activities. These monies are held by the Association for disbursement on order of Divisional treasurers, and are therefore not included in the total income and total expense items appearing in Table 1.

In summary, Table 3 indicates that for the senior membership class, dues have increased threefold over the years under consideration, and for the intermediate or lower class of membership, dues have increased by a factor somewhat less than 4.

TABLE 4  
NUMBER OF PAGES PRINTED IN EACH JOURNAL FOR THE YEARS 1946-1961 INCLUSIVE

Year	<i>American Psychologist</i>	<i>Contemporary Psychology</i>	<i>Journal of Abnormal and Social Psychology</i>	<i>Journal of Applied Psychology</i>	<i>Journal of Comparative and Physiological Psychology</i>	<i>Journal of Consulting Psychology</i>	<i>Journal of Educational Psychology</i>	<i>Journal of Experimental Psychology</i>	<i>Psychological Abstracts*</i>	<i>Psychological Bulletin</i>	<i>Psychological Monographs</i>	<i>Psychological Review</i>	Totals <sup>b</sup>
1946	588	—	501	668	—	376	—	535	585	603	306	361	4,523
1947	565	—	499	664	468	342	—	549	620	592	329	352	4,980
1948	561	—	565	684	478	440	—	795	774	550	378	346	5,571
1949	542	—	567	617	525	454	—	900	866	534	459	369	5,833
1950	687	—	798	454	502	506	—	804	804	534	413	389	5,891
1951	700	—	618	432	607	516	—	919	922	549	490	482	6,235
1952	740	—	866	433	608	476	—	915	844	667	594	472	6,615
1953	762	—	614	502	500	468	—	916	921	486	489	424	6,082
1954	820	—	806 <sup>c</sup>	468	476	476	—	980	952	602	365	410	6,355
1955	844	—	1143	464	508	490	—	850	931	544	471	460	6,705
1956	724	358	812	416	604	488	—	848	866	494	606	408	6,624
1957	768	300	834	418	651	507	245 <sup>d</sup>	898	875	497	479	446 <sup>e</sup>	6,918
1958	767	332	785	422	815 <sup>f</sup>	497	334	1182 <sup>f</sup>	611	435	508	408	7,096
1959	830	348	855	422	760	564	304	906 <sup>f</sup>	1233	470	552	401	7,645
1960	842	347	948	412	618	558	356	852 <sup>f</sup>	952	532	532	400	7,349
1961	854	402	1396	44	720	556	334	1142	952	514	522	421	8,253

Note.—Totals do not include Cover pages, pages of advertising, or volume contents.

\* Includes December issues which are index numbers.

<sup>b</sup> Number of pages per volume year must be multiplied by number of member and nonmember subscribers, not shown here, to get total amount of printed material in journals.

<sup>c</sup> Includes 203 pages of a supplement.

<sup>d</sup> Total represents last three issues only; APA started publishing the journal October 1957.

<sup>e</sup> Includes 42 pages of a supplement.

<sup>f</sup> Including approximately 832 pages paid for by a National Science Foundation special publication grant of \$28,400.

#### THE JOURNAL OPERATIONS

A major source of income and expense for the Association is to be found, respectively, in subscription rates and expense factors connected with the present production of 12 journals. Table 4 describes the history of number of journals and pages produced, 1946 through 1961. The years in which new journals have been added are to be noticed first: In 1947, the Association took over the *Journal of Comparative and Physiological Psychology* and the *Journal of Consulting Psychology*; in 1946 the *American Psychologist* was established; in 1956 *Contemporary Psychology* was established; and in 1958 the Association purchased the *Journal of Educational Psychology*. Table 4 indicates, in addition, the growth in size, measured by the annual number of pages published, for the Association's entire journal operation.

Over the years, total pages published moved from 4,523 to 8,253. As will later be seen in Table

6, journal printing and mailing costs, and other journal costs, represent the largest share of annual expense budgets, although their proportionate share of each annual budget has decreased somewhat over the years 1954-61 inclusive. In 1946 the Association owned eight journals; by 1958 and thereafter, 12 journals are involved.

The data in Table 5 show that subscription rates to members and nonmembers have also increased. Evidence available from other sources, but not shown here, tends to indicate that member subscriptions, at least, do not grow as rapidly within the Association as does overall membership.

Many factors and decisions are involved in our history of journal operations, over and above these subscription rates. For example, the policy of an annual member credit, or husband-wife credit, on journal subscriptions, may be considered as a special form of subsidy. In earlier years certain journals were "automatic"; in later years only the

TABLE 5  
SCHEDULE OF ANNUAL MEMBER SUBSCRIPTION RATES, 1946-1961

Year	<i>American Psychologist</i>	<i>Contemporary Psychology</i>	<i>Journal of Abnormal and Social Psychology</i>	<i>Journal of Applied Psychology</i>	<i>Journal of Comparative and Physiological Psychology</i>	<i>Journal of Consulting Psychology</i>	<i>Journal of Educational Psychology</i>	<i>Journal of Experimental Psychology</i>	<i>Psychological Abstracts</i>	<i>Psychological Bulletin</i>	<i>Psychological Monographs</i>	<i>Psychological Review</i>
1946	\$3.50	—	\$2.50	\$3.00	\$3.50	\$1.50	—	\$3.50	\$3.50	\$3.50	\$3.00	\$2.75
1947	3.50	—	3.50	3.00	3.50	2.50	—	3.50	3.50	3.50	3.00	2.75
1948	3.50	—	2.50	3.00	3.50	2.50	—	3.50	3.50	3.50	3.00	2.75
1949	3.50	—	2.50	3.00	3.50	2.50	—	3.50	3.50	3.50	3.00	2.75
1950	3.50	—	3.00	3.00	3.50	2.50	—	3.50	3.50	3.50	3.00	2.75
1951	3.50	—	3.00	3.00	3.50	2.50	—	7.00 <sup>a</sup>	3.50	3.50	3.00	2.75
1952	3.50	—	3.00	3.00	3.50	2.50	—	7.00	3.50	3.50	3.00	2.75
1953	4.00	—	3.50	3.50	4.00	3.50	—	7.50	4.00	4.00	3.50	3.25
1954	4.00	—	3.50	3.50	4.00	3.50	—	7.50	4.00	4.00	3.50	3.25
1955	4.00	—	5.25	3.50	4.00	3.50	—	7.50	4.00	4.00	3.50	3.25
1956	4.00	\$4.00	8.00 <sup>b</sup>	4.00	4.00	4.00	—	8.00	8.00	4.00	4.00	4.00
1957	4.00	4.00	8.00	4.00	4.00	4.00	—	8.00	8.00	4.00	4.00	4.00
1958	4.00	4.00	8.00	4.00	4.00	4.00	\$4.00	8.00	8.00	4.00	4.00	4.00
1959	4.00	4.00	8.00	4.00	4.00	4.00	4.00	8.00	8.00	4.00	4.00	4.00
1960	4.00	4.00	8.00	4.00	4.00	4.00	4.00	8.00	8.00	4.00	4.00	4.00
1961	5.00	5.00	10.00	5.00	5.00	5.00	5.00	10.00	10.00	5.00	5.00	5.00

Note.—The subscription price per year to members is one-half the advertised subscription price.

The history of journal pricing requires an understanding of the so-called "automatic" subscriptions, received by all members without a regular subscription charge to the member. From 1946 through 1955 all members "automatically" received the *American Psychologist*, *Psychological Abstracts*, and *Psychological Bulletin*. In 1956 all members "automatically" received the *American Psychologist* and *Psychological Abstracts*. In 1957 and 1958 all members "automatically" received the *American Psychologist*, and an additional member credit of \$4.00 if they also subscribed to *Psychological Abstracts*. From 1959 to date all members have "automatically" received only the *American Psychologist*. Individual subscriptions to all other journals must be specified by the member, at the member rates shown in Table 5, before the member credit is deducted from the member's total subscription cost.

<sup>a</sup> In and after 1951 two volumes per year were published.

<sup>b</sup> In and after 1956 two volumes per year were published.

*American Psychologist* goes automatically to every member, without a formal subscription request. Changes in cost accounting procedures, with respect to overhead allocation, can yield equally defensible "profit" or "loss" pictures of journal operations. Even though the number of pages per journal ranges from about 400 to over 1,000 (Table 4), we use only two different prices per volume. Thus it is extremely difficult to achieve a clear understanding of the complexity of journal operations and the resultant income and expense factors stemming from them.

#### ANNUAL ALLOCATION OF RESOURCES

It is obvious that the Association's income and expense have grown rapidly and substantially over the years. But these data do not tell the entire story. It is necessary to consider income and expense allocation within a series of years to under-

stand more fully the use of resources within broad functions. Have there been dramatic changes in resource allocation, or is the Association on a fairly constant base from year to year? We have summarized in Table 6 the actual allocation of income and expense dollars over constant major categories for the years 1954-61. Several points of explanation must first be stated with regard to the organization of Table 6. In the first place, the span of years from 1954-61 is not presented here as in any way a typical sequence of years for the affairs of the Association. This block of time has been chosen primarily because the accounting categories used in the business management of the Association have remained the same for this time interval. In the annual official audit for 1957, the seven categories of income and the eight categories of expense appearing in Table 6 appear for the first time in the Ernst and Ernst

TABLE 6

COMPARATIVE STATEMENT OF INCOME AND EXPENSE, IN CONSTANT CATEGORIES, 1954-1961 INCLUSIVE  
Index Year 1954 = 100

Categories	1954			1955			1956			1957		
	Amount	Actual per- cent	Index per- cent	Amount	Actual per- cent	Index per- cent	Amount	Actual per- cent	Index per- cent	Amount	Actual per- cent	Index per- cent
<b>Income Categories</b>												
Dues and fees income	\$179,513	44	100	\$192,819	45	107	\$241,977	46	135	\$310,913	49	173
Member, student, and affiliate subs.	57,518	14	100	61,836	14	108	71,428	14	124	56,622	9	98
Nonmember subscriptions	79,907	20	100	85,624	20	107	117,862	23	147	137,172	22	172
Journal publication income	53,274	13	100	55,739	13	105	47,367	9	84	75,192	12	141
<i>Employment Bulletin</i> and <i>Directory</i> income	3,258	1	100	3,862	1	119	7,012	1	215	7,228	1	222
Other publications income	2,957	1	100	6,633	2	224	6,825	1	231	5,095	1	172
Nonpublications income	27,837	7	100	23,940	5	86	31,592	6	113	35,596	6	128
<b>Total Income</b>	<b>\$404,264</b>	<b>100%</b>	<b>100%</b>	<b>\$430,453</b>	<b>100%</b>	<b>106%</b>	<b>\$524,063</b>	<b>100%</b>	<b>130%</b>	<b>\$627,818</b>	<b>100%</b>	<b>155%</b>
<b>Expense Categories</b>												
Journal printing and mail- ing costs	\$163,944	40	100	\$183,539	40	112	\$188,673	38	116	\$209,040	35	128
Other journal publication costs	27,852	7	100	34,517	7	124	36,207	7	130	41,188	7	148
<i>Employment Bulletin</i> and <i>Directory</i> costs	3,775	1	100	21,350	4	566	19,275	4	511	51,963	9	1,377
Nonjournal publication costs	9,542	2	100	486	0	5	4,682	1	49	7,265	1	76
Central office costs	138,078	33	100	142,416	31	103	154,850	32	112	204,566	34	148
General APA activities costs	22,901	6	100	33,718	7	147	48,866	10	213	46,331	8	202
Board and committee costs	30,002	7	100	26,972	7	90	18,614	4	62	21,143	3	70
Building costs	17,555	4	100	17,967	4	102	17,984	4	102	20,338	3	116
<b>Total Expense</b>	<b>\$413,649</b>	<b>100%</b>	<b>100%</b>	<b>\$460,965</b>	<b>100%</b>	<b>111%</b>	<b>\$489,151</b>	<b>100%</b>	<b>118%</b>	<b>\$601,834</b>	<b>100%</b>	<b>145%</b>
Excess of Income over Expense	(\$9,385) <sup>a</sup>			(\$30,513) <sup>a</sup>			\$ 34,912			\$ 25,984		

<sup>a</sup> The years 1954 and 1955 showed a deficit rather than a surplus of income over expense.

records. The accounts were rearranged to conform to these income and expense categories for the years 1954, 1955, and 1956 by the accountant then working for the Association. Thus, the span of years under consideration has been chosen primarily because of the comparability of income and expense entry systems and the continuity of the accounting procedures. By reference to Table 1 it can be seen that the years 1954-61 represent a rather rapidly accelerating segment of the growth curve of the Association. Without a complete reworking of all ledger accounts for the early years, it would not be possible to present for the full period 1946-61 data comparable to those appearing in Table 6.

Within each of the major categories of income or expense it is important to recognize also that many subaccounts are maintained. For example, in the income category identified as dues and fees income, member dues represent the largest component, but accounts are also kept for foreign affiliate dues, late payment fees, membership application fees, prior-year dues payments, student fees, and unallocated Division dues. In the major income categories of member, student, and affiliate subscriptions and nonmember subscriptions, subscription

income for each of our journals appears in dollar figures, adjusted for the member credit and for agents' discounts in the procurement of nonmember subscriptions. The category of journal publication income includes sale of reprints, early or special publications, advertising revenue, and sale of single copies and back issues. The category of other publication income includes royalties and gross income from the sale of the aperiodic publications of the Association. Finally, the category of nonpublication income includes overhead reimbursements, gross income from the annual meeting, and interest on short-term investments, as the primary contributory sources.

With regard to the eight major categories of expense, the first category of journal printing and mailing costs includes only bills paid to cover the printing and mailing of our journals by the various printing establishments with which we do business. Other journal printing costs include the straight purchase of reprints to fill author reprint orders, annual stipends to editors and associate editors, secretarial and office costs in support of editors, printing and shipping of back issues beyond the available back issue stock, and promotion expenses to generate advertising revenue as an income item.

TABLE 6—Continued  
COMPARATIVE STATEMENT OF INCOME AND EXPENSE, IN CONSTANT CATEGORIES, 1954–1961 INCLUSIVE  
Index Year 1954 = 100

Categories	1958			1959			1960			1961		
	Amount	Actual per-cent	Index per-cent	Amount	Actual per-cent	Index per-cent	Amount	Actual per-cent	Index per-cent	Amount	Actual per-cent	Index per-cent
<b>Income Categories</b>												
Dues and fees income	\$387,578	51	216	\$407,335	52	227	\$509,363	56	284	\$533,637	50	297
Member, student, and affiliate subs.	57,912	8	101	69,034	9	120	72,580	8	126	91,201	9	159
Nonmember subscriptions	160,158	21	200	162,473	21	203	177,934	20	223	243,484	23	305
Journal publication income	73,831	10	139	71,503	9	134	73,493	8	138	95,376	8	182
<i>Employment Bulletin</i> and <i>Directory</i> income	24,250	3	744	24,714	3	759	10,944	1	334	25,581	2	785
Other publications income	10,665	1	361	9,153	1	309	8,241	1	279	12,711	1	430
Nonpublications income	41,428	6	149	43,140	5	155	52,039	6	187	70,207	7	252
<b>Total Income</b>	<b>\$755,822</b>	<b>100%</b>	<b>187%</b>	<b>\$787,352</b>	<b>100%</b>	<b>195%</b>	<b>\$904,594</b>	<b>100%</b>	<b>224%</b>	<b>\$1,072,197</b>	<b>100%</b>	<b>265%</b>
<b>Expense Categories</b>												
Journal printing and mailing costs	\$214,270	31	131	\$261,639	35	160	\$272,893	33	166	\$321,890	33	196
Other journal publication costs	47,375	7	170	63,398	8	230	79,251	9	285	97,841	10	351
<i>Employment Bulletin</i> and <i>Directory</i> costs	45,476	7	1,205	45,951	6	1,217	69,081	8	1,830	43,038	4	1,140
Nonjournal publication costs	17,930	2	188	6,548	1	69	9,112	1	95	7,636	1	80
Central office costs	253,876	37	184	249,055	33	180	271,536	33	197	353,591	37	256
General APA activities costs	52,151	8	228	61,311	8	268	70,372	8	307	65,801	7	287
Board and committee costs	29,829	5	99	31,545	4	105	32,846	4	109	43,567	5	145
Building costs	21,891	3	125	36,736	5	209	36,402	4	207	29,244	3	167
<b>Total Expense</b>	<b>\$682,798</b>	<b>100%</b>	<b>165%</b>	<b>\$756,773</b>	<b>100%</b>	<b>183%</b>	<b>\$841,493</b>	<b>100%</b>	<b>203%</b>	<b>\$962,608</b>	<b>100%</b>	<b>233%</b>
<b>Excess of Income over Expense</b>	<b>\$73,023</b>			<b>\$30,579</b>			<b>\$63,100</b>			<b>\$109,589</b>		

Central office costs, of course, loom large as a category of expense. The biggest single item in the category represents salaries of central office personnel, and attendant tax and retirement allowances on these salaries. In addition, office supplies, postage costs, telephone and telegraph costs, central office travel, and amortization reserves for furniture and fixtures, along with certain rental requirements and machine costs, appear in this category.

The category of general APA activities includes the direct costs of the annual meeting, and supporting services for annual meeting arrangements. The category also includes legal retainers, the three annual APA Science Awards of \$1,000 each, and annual costs of affiliation under which the APA as an organization holds membership in a variety of related organizational structures.

The category of building costs includes taxes, utilities, depreciation allowances, and necessary repairs and maintenance.

Over the years in question, certain changes in accounting practices have been made, such that, for example, all central office salaries in and after 1961 are pooled rather than being distributed across other expense categories. In the main, however, these accounting procedural changes affect only by a few

percentage points the proportion of resources allocated to the major income or expense categories in the years under study.

With these explanations, it is now possible to consider the evidence in Table 6 that bears on the issue of source and allocation of resources. For each of the years in Table 6, we have calculated within the year the percentage of total income deriving from the major income categories and the percentage of total expense assigned to the major expense categories. In addition, using 1954 as the base year, an index value of 100 has been assigned to each of the major income and expense categories as a point of departure for indicating growth of the income or expense category through the year 1961.

A few illustrations will give some idea of the kinds of information to be derived from Table 6. In the year 1954 the Association had a total income of \$404,264. By the end of the year 1961, the Association's total income was \$1,072,197, and this represented a gross income increase of about 2.65 times the 1945 income. The income category of dues and fees accounted for \$179,513 in 1954, and \$533,637 in 1961. This source of income represented 44% of all income in 1954, and 50%

of all income in 1961; this source had increased almost threefold over the years under consideration. With regard to nonmember subscriptions to our journals, the gross dollar income from this source was \$79,907 in 1954, and \$243,484 in 1961. The income category grew by a factor of three over the years, but within each year it remained remarkably constant in producing approximately 20–23% of the gross income of the Association. In contrast to income from nonmember subscriptions, is the change in pattern of income from member subscriptions. By 1961, this source of income was only 1.6 times as great as it was in 1954, and within the years under consideration it had dropped from a level of 14% of the annual income to 9%. Fluctuations in these income categories must also be related to the historic decision points shown in Tables 3 and 5, as well as normal growth rates of members and subscribers. Thus, for example, 1961 member and nonmember subscription income rises sharply over 1960 income from these sources, but 1961 witnessed a 25% increase in subscription rates (see Table 5) in all journals.

Turning next to the major categories of expense borne by the Association, we may look first at the actual payments required to printers for the production and distribution of journals. In 1954, \$163,944 was paid out, and this represented 40% of the expense borne by the Association. By 1961, \$321,890 had been paid out for these same services, representing 33% of our 1961 expense total and this expense had almost doubled (196%) over the eight-year span. Reference to Table 4 will also indicate that more journals and more pages were produced in this period.

In the expense category of other journal publication costs, a substantial growth in expense is evident in Table 6: from \$27,852 in 1954, the category moved to \$97,841 in 1961. But even with this growth by a factor of 3.5, the expense category still represents not more than 10% of total expenses within the year 1961.

The costs of the central office in 1954 represented 33% of the operating budget of the Association. By 1961, these costs used up 37% of a much larger total expense budget. The growth factor in this category of expense is 2.6 from 1954 to 1961. While there has been a significant increase in the size and the costs of the central office operation, reflected both in terms of additional personnel and in terms of increased costs for payrolls, services,

supplies, and travel, the proportion of resources of the Association allocated to the maintenance of the central office has remained relatively constant over these years.

The cost of Boards and Committees, whose work is crucial to the governmental structure of the Association, represents a small allocation of annual resources and a low rate of increase in dollars spent, from 1954 through 1961.

Both in income and expense, an item representing low annual allocations proportionately (*Employment Bulletin* and *Directory* income and expense, for example) may show high growth index figures over the eight-year span. The functions covered by the category have been deemed appropriate as expanded services to the membership by actions of the Council or Representatives, even though they result in an annual net loss.

Table 6 permits the statement that while income and expense categories and totals increase annually, the proportionate income and expense breakdowns within years remain relatively constant. Whether this reflects, in dollar terms, the design and the hope of the 1946 reorganization of psychology we shall not undertake to say. Certainly it can be said that the complexity and size of the Association's operations are far greater in 1962 than they were in 1946, and that its visibility on the national scene is higher. Tables 1–6 tell how, in part, we have managed our enterprise, not how we should have managed it. These same tables set constraints on the future; our growth is predictable, our resources and the changes therein become clearer, and our use of these resources or others can now be based on fairly adequate cost experience.

Two further considerations remain: external support of Association activities and divisional, state, or regional services not reflected in budget records. These are described at this point.

#### EXTERNAL GRANTS AND CONTRACTS

The annual operating budget of the Association does not include federal or private foundation grant and contract funds sought or accepted by the Association under policies recently formalized by the Board of Directors and ratified by the Council (Carter, 1960). These grants or contracts permit the carrying out of functions, assignments, or projects deemed to be of Association-wide interest. When these grants generate overhead, the overhead is incorporated as income in Table 1



TABLE 7

SPECIAL GRANT AND RESERVE FUNDS, YEAR ENDING DEC. 31, 1961

Grants and contracts	Unspent balances Jan. 1, 1961	Additions in 1961	Expenses in 1961	Unspent balances Dec. 31, 1961
1. NIMH Grant for work of Education and Training Board	\$13,750	\$ 17,029	\$ 25,916	\$ 4,863
2. OVR Grant for research conference on psychological aspects of rehabilitation	2,610	582	1,803	1,389
3. NIMH Grant for second conference on research in psychotherapy	14,357	—	7,870	6,487
4. NSF Grant for program of visiting lecturers in psychology	25,030	12,130	25,356	11,804
5. NSF Grant for program of foreign visitors in psychology	9,900	18,900	5,883	22,917
6. NSF Grant for a brochure on careers in psychology	2,300	2,300	3,232	1,368
7. NSF Grant for a study of information exchange in psychology	—	50,760	19,331	31,429
8. NSF Grant for an educational television series in psychology	—	110,000	110,000	—
9. ACLS Grant in support of the 1963 International Congress of Psychology	(704)	3,000	2,545	—
10. Society for the Investigation of Human Ecology Grant to support Russian travel and reports	1,938	2,500	641	3,797
11. Carnegie Corporation Grant to support special foreign travel	2,028	—	1,820	208
12. Conference of State Psychological Associations Reserve Funds for loans and grants	4,135	—	—	4,135
13. NSF Contract for National Register of Scientific Personnel	(3,465)	10,812	10,097	—
Totals	\$71,879	\$228,013	\$214,494	\$88,397

Note.—Parentheses indicate a reimbursable overdraft as of 1/1/61.

and in the category of nonpublication income in Table 6. The balance of the grants or contracts must be held as liabilities in payment for services already rendered or services to be rendered. In the year 1961, for example, these grants operated at an annual rate of approximately \$214,000. Their proper administration is a responsibility of the central office of the Association; their availability provides staff and resources that could not otherwise be found, given the necessity and tradition of supporting the activities defined by the income and expense categories of Table 6.

Table 7, adapted from the official 1961 audit of the Association, displays these grants and contracts for that year. As of January 1961, approximately \$72,000 was on hand from earlier payments; during 1961 approximately \$228,000 was received from the named sources, and \$214,000 was spent for salaries, travel costs, supplies, and

other expenses as required; at the end of 1961, approximately \$88,000 was held for later use.

#### ADDITIONAL OPERATIONS

Mention was earlier made of the funds reserved for divisional use; these funds are not included in the annual operating budget, the categories of which are defined in Table 6. The central office over the years has taken on a variety of responsibilities for the divisions of the Association for which no divisional charge is made.

Similarly, in the days of the existence of the Conference of State Psychological Associations, the funds available to that governing body within the Association were held separately from other accounts, and the income for its use was derived from a small charge per member from each state society. When the Conference of State Psychological Associations was disbanded, and the Board of

Professional Affairs organized, the practice of collections from state societies was dropped, and no income now derives from the state associations. However, substantial services are rendered to the state associations in a legislative reporting service, in exchange of ethical information, and in various contacts maintained with the states through the central office staff in exchanging information about state association affairs. Either by direct contribution or an informal cost sharing arrangement, the Association also contributes certain services to some of the regional association meetings, notably in the placement or employment service activities.

#### CONCLUSION

This brief look at the history of the Association's past speaks also to its future. Just as 1962 represented our first budgeted year of over \$1,000,000 in both income and expense, 1963 will see a membership in excess of 20,000. A conservative annual growth in membership, based on past growth, could be set at a net increment of about 800 members a year. As we move to the point where we outgrow our present headquarters building, and implement the broad instructions of the Council of Representatives to proceed with the establishment of a new headquarters, we shall find ourselves

engaged in business management functions to an even greater extent than has been true in the past. As the central office comes to serve a wider range of needs, and as the volume of scientific productivity continues to increase, the Association may look forward to increases in the matching expense categories. But should it be the Association's hope that the proportional allocations within time would remain rather constant, as they appear in Table 6, or should some new pattern of resource allocation be adopted under our system of representative government? If new resources are needed, where will they be found?

The presentation of figures of the kind here discussed should permit the membership of the Association to view its own problems with greater rationality and clarity, and to make decisions regarding allocations of resources fitting to a growing organization. While facts may not determine values, they at least may set boundaries for the dialogue about our future.

#### REFERENCES

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